

Message Text

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ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: MARCH 16 EA PRESS SUMMARY

1. KOREA

HIRC SUBCMTE INVESTIGATING US-SK RELS RELEASED SECRET
DOCUMENTS 3/15 WHICH SHOWED US INTELL AGENCIES REPORTED
DURING EARLY 70S PARK CHUNG HEE WAS PERSONALLY DIRECTING
BROAD-SCALE COVERT LOBBYING CAMPAIGN IN US. DOCUMENTS SAY
PRES PARK ONCE CONSIDERED, BUT LATER REJECTED, PLAN PLACING
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TONGSUN PARK IN CHARGE OF ALL KOREAN LOBBYING IN WASHINGTON.
TESTIFYING BEFORE SUBCMTE, FORMER AMB TO SK WM PORTER SAID
USG WAS "VERY PERMISSIVE" IN ITS ATTITUDE TOWARD LOBBYING,
ADDING TONGSUN PARK SPENT SO MUCH MONEY THAT HE THOUGHT
PARK BACKED BY KCIA (BABCOCK, WP; REUTER 3/15).

DOCUMENTS RELEASED ALSO INDICATE REV MOON'S UNIFICATION

CHURCH WAS FOUNDED BY KCIA DIRECTOR KIM CHONG PIL, WHO USED IT AS POL TOOL. REPORTS FURTHER STATED KOREAN CULTURAL/FREEDOM FOUNDATION WAS FORERUNNER TO MOON CHURCH/LATER TURNED INTO KCIA FRONT FOR FUND-RAISING/LOBBYING EFFORTS (HALLORAN, NYT).

LAT'S JACKSON REPORTS CONGRESSIONAL INVESTIGATORS HAVE OBTAINED EVIDENCE THAT FORMER SK AMB KIM DONG JO MAINTAINED WASHINGTON BANK ACCOUNTS FROM WHICH HE REGULARLY WITHDREW CASH SUMS LARGE AS 15,000 DOLS. SOURCES CLOSE TO PROBE SAID FREQUENCY OF KIM'S CASH TRANSACTIONS FROM '72-'74 MUST BE THOROUGHLY EXPLORED.

2. KOREA/JAPAN

DEP SECDEF DUNCAN SAID IN TOKYO 3/15 CURRENT US-SK JOINT WAR GAME WAS SUCCESS IN DEMONSTRATING US DETERMINATION/STRENGTH TO DEFEND SK. ARRIVING IN TOKYO AFTER OBSERVING WAR GAMES, DUNCAN SAID SIMILAR EXERCISES WILL BE HELD IN FUTURE (REUTER TOKYO 3/15). GAMES STAGED OVER 11 DAYS/ INVOLVED 115,000 TROOPS, 200 AIRCRAFT. OPERATION PROMPTED STRIDENT DENUNCIATION BY NK, WHICH TERMED EXERCISES "GRAVE PROVOCATIVE ACTION" DESIGNED DRIVE ROKG INTO "FRESH MILITARY ADVENTURE" ON PENINSULA (CHAPMAN, WP SEOUL).

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3. JAPAN

GOJ ANNOUNCES MEASURES DESIGNED BOLSTER ECONOMY/DAMPEN RISING YEN VALUE. ACTIONS TAKEN INCLUDE CUTTING BANK OF JAPAN DISCOUNT RATE TO 3.5 PCT (OFUSA, NYT TOKYO).

AP TOKYO REPORTS GOJ HAS GIVEN CAPITAL PERMISSION SELL 230-MIL-DOLS IN MUNICIPAL BONDS IN EFFORT HELP COVER TOKYO'S 983-MIL-DOL DEFICIT THIS YR. CITY'S GOV MINOBE, HOWEVER, SAYS BOND SALES WILL NOT SOLVE TOKYO'S FUNDAMENTAL PROBLEMS. CLAIMS CITY NEEDS GREATER SHARE TAX REVENUES IT COLLECTS (CHITRIB).

PAYING COURTESY CALL ON USHIBA WEDS, EC OFFICIAL DENMAN REPEATED REQUEST FOR JAPAN PURCHASE EUR-MADE AIRCRAFT (UPI, JOC).

JOC'S HOWARD REPORTS EUR/JAPANESE SHIPPING COMMUNITIES CONSIDERING COMPROMISE THAT WILL ENABLE THEIR GOVTS RATIFY UN CONF ON TRADE/DEVELOPMENT CODE OF LINER CONF PRACTICE.

TREASURY WILL PROBE IMPORTS JAPANESE NYLON YARN FOR POSSIBLE DUMPING PRACTICES FOLLOWING COMPLAINT FROM DUPONT SUBSIDIARY (JOC).

4. JAPAN/AUSTRALIA

AUSSIE DEP PM ANTHONY WEDS CALLED ON JAPANESE STEEL MILLS MINIMIZE CUTS IN PURCHASES AUSTRALIAN IRON ORE/COKING COAL. REQUEST MADE TUES IN TOKYO TO MITI MIN KOMOTO DURING 45-MIN MTG (UPI, JOC).

5. INDONESIA

ACCORDING INDO MINING MIN, GOI SUPPORTS KUWAITI IDEA OF UNCLASSIFIED

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ADJUSTING CRUDE OIL PRICE TO ACCOUNT FOR DECLINE OF DOL; SAID OIL PRICES MIGHT RISE ABOUT 35 CENTS/BARREL (REUTER JAKARTA 3/15).

6. MALAYSIA

PM DATUK HUSSEIN WEDS OPENED 2ND ANNUAL MEET ISLAMIC DEVELOPMENT BANK GOVERNORS BEING ATTENDED BY 200 DELEGATES FROM 32 COUNTRIES. OFFICIALS EXPECTED DISCUSS WIDER SCOPE TRADE FINANCING/LEASING, SPEC FUNDS TO AID ECON DEVELOPMENT MUSLIM COMMUNITIES IN NON-ISLAMIC COUNTRIES, COOP W/ARAB LEAGUE'S EDUC/SCI/CULTURAL ORG/W/WHO, PROMOTION TRADE AMONG MEMBER COUNTRIES (UPI KL, JOC).

7. SINGAPORE

ATTEMPTING GET OUT OF ECON SLUMP, JOC'S LORENZ (SINGAPORE) SAYS SINGAPORE SHIPYARDS ARE VENTURING INTO ENGINEERING WORK, CONSTRUCTING OFFSHORE STRUCTURES FOR OIL EXPLORATION/DOING WORK FOR POWER PLANTS, CHEMICAL INDUSTRIES, HARBOR FACILITIES. PREDICTS MORE COMPETITION FOR SINGAPORE SHIPYARDS WHICH GOES MEETING BY REVISING DEFERRED CREDIT FINANCING TO ENABLE SHIPYARDS SECURE MORE EXPORT ORDERS FOR NEW VESSELS. NOTES CONTRACTS SOMETIMES ACCEPTED BELOW COST VALUE IN VIEW LOWER LABOR COSTS IN TAIWAN/SK. BUT SAYS DEVELOPMENT BANK OF SINGAPORE WORKING OUT ANOTHER INCENTIVE PROGRAM--40-MIL-DOL FUND TO FINANCE DEFERRED CREDIT BY REGIONAL CLIENTS FOR PURCHASE SINGAPORE-MADE VESSELS.

8. CAMBODIA/VIETNAM

RADIO HANOI ACCUSED CAMBODIA THURS OF LAUNCHING MAJOR UNCLASSIFIED

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OFFENSIVE, CALLING IT GRAVE ESCALATION OF BORDER FIGHTING
BETWN 2 COUNTRIES. REPORT SAID GROUND/NAVAL FORCES
ATTACKED HA TIEN AREA IN KIEN GIANG PROVINCE TUES/
OCCUPIED SEVERAL AREAS IN VACINITY. REPORT ACCUSED FORCES
OF BARBAROUS CRIMES AGAINST VIET POP, SAID ATTACK STRONGLY
REPULSED/THAT CAMBODIA INITIATED TOTAL 115 MIL ACTIONS

AGAINST VN LAST WK, THAT VIETS HAD KILLED/WOUNDED 500
CAMBODIAN TROOPS (REUTER SINGAPORE).

9. VIETNAM

AFP (HANOI 3/14) REPORTS NOTORIOUS VIET BUREAUCRACY
HAS NOT ADVERSELY AFFECTED HIGHWAY-BUILDING, RURAL HOME
CONSTRUCTION/FARMING, THAT NORTH-SOUTH TRIP SHOWS PROGRESS
ALL ALONG ROUTE W/THOUSANDS ACRES UNDER CULTIVATION/
HUNDREDS BRIDGES REBUILT. NOTES, HOWEVER, DESPITE STRONG
NATIONALIST FEELING AMONG VIETS, STILL SEEM BE 2 VNS IN
SOME WAYS: WHILE RICE IN SHORT SUPPLY IN NORTH, PIGS/
POULTRY IN SOUTH BEING FATTENED ON RICE/PROVINCIAL
AUTHORITIES IN SOUTH EXPORT LARGE QUANTITIES, BUT NOT TO
NORTH; SOUTHERNERS SEEM MORE OPEN CRITICAL OF AUTHORITIES,
WHILE NORTHERNERS SEEM PURITANICAL/OBSESSED BY BUREAUCRACY/
PLANNING (NYT).

10. CHINA

JAPAN EXTERNAL TRADE ORG SURVEY ESTIMATES PRC'S FON TRADE
MAY REACH 16 BIL DOLS THIS YR--INCREASE OF 7.8 PCT OVER
'76 FIGURE. FURTHER EXPANSION CHINA'S TRADE EXPECTED
BECAUSE OF NEW 10-YR ECON PROGRAM ENDORSED AT NPC/RECENT
CONCLUSION SINO-JAPANESE LONG-TERM TRADE AGREEMENT/PRC-EC
TRADE PACT (REUTER TOKYO 3/15; UPI TOKYO JOC).

ACCORDING CHINESE NUKE PHYSICIST CHIEN SAN-CHIANG, PRC
LOOKING TO SCI TO ACHIEVE MODERNIZATION GOALS BUT DOES NOT
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EXPECT OVERTAKE WORLD IN MANY FIELDS BEFORE YR 2000. CHIEN
MADE REMARKS 3/15 IN WHAT APPEARED BE FIRST NEWS CONF
GIVEN BY PRC OFFICIAL IN SEVERAL YRS.

CHIEN SAID PRC'S MOST SUCCESSFUL FIELDS WOULD BE THOSE
THAT DID NOT REQUIRE MUCH EQUIPMENT--SUCH AS AGRIC,
ENERGY, FORMULAS FOR NEW MATERIALS, COMPUTERS, GENETIC

ENGINEERING, GEOLOGY. MEANWHILE, THOUSANDS OF SCIENTISTS REPORTED ARRIVING PEKING FOR NATL CONF SLATED OPEN 3/18 (PRITCHETT,REUTER PEKING 3/15; CSM).

NCNA REPORTS PRC HAS PRODUCED THREE-VOLUME TRANSLATION ENISTEIN'S WORKS (CSM HK).

GOVT HK ANNOUNCED 3/15 ITS DECISION ACCEPT APPLICATIONS FROM "WELL-ESTABLISHED" FON BANKS FOR BANKING LICENSE IN HK. FINANCE SECY HADDON-CAVE REPORTED TO TELL LEGISLATIVE COUNCIL GOVT WOULD MOVE TO EASE 12-YR MORATORIUM ON GRANTING LICENSES AS WAY TO ENSURE COMPETITION OF FINANCIAL SECTOR (UPI HK JOC).

11. CHINA/PHILIPPINES

PRC DEP PM LI HSIEN-NIEN WOUND UP 4-DAY VISIT PHILS THURS/ AFTER BRIEF PEKING VISIT, WAS SCHEDULED DEPART FOR BANGLADESH, CONTINUING, ACCORD NYT, TO DISPLAY NEIGHBORLINESS BEGUN EARLIER THIS YR BY DEP PM TENG HSIAO-PING VISITS TO BURMA/NEPAL.

TOASTING CHINESE AT DINNER WEDS, MARCOS SAID "WHILE CONTEMPORARY HISTORY BEARS WITNESS TO BITTER RIVALRIES AMONG NATIONS," PRC "IS MOVING ON AN ENLIGHTENED COURSE TOWARD MUTUAL TRUST." TALKS BETWN 2 TOUCHED ON ASEAN/ UNCLASSIFIED

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CLAIMS OF BOTH COUNTRIES TO SPRATLY ISLS. MARCOS TOLD BUSINESSMEN'S GROUP WEDS THAT ANY PROBLEMS REGARDING OVERLAPPING CLAIMS TO ISLS WOULD BE SETTLED BY DIPLO NEGOTS (NYT SPEC MANILA).

IN ARTICLE DATELINED 3/11, NYT'S BUTTERFIELD (MANILA) NOTES GOP IS VIGOROUSLY PUSHING EFFORTS STRENGTHEN CONTROL OVER SPRATLY ISLS, WHICH ALSO CLAIMED BY ROC/SRV IN ADDITION PRC. BUTTERFIELD SAYS GOP BASES ITS CLAIM TO ISLS ON ACTUAL ADMIN CONTROL/PROXIMITY.

COMMENT AND ANALYSIS

12. KOREA

IN INTERVIEW W/AP'S STILLMAN (ATLANTA CONSTITUTION 3/13) MAJ GEN SINGLAUB--RELIEVED AS COS IN SK FOR PUBLICLY CHALLENGING ADMIN'S W/DRAWAL PLANS--SAID, "I'VE NEVER BEEN SORRY THAT I SPOKE THE TRUTH." ON '76 TREE-CUTTING INCIDENT, DURING WHICH 2 US OFFICERS SLAIN, SINGLAUB SAID, "WE WEREN'T SURE" HOW NORTH KOREANS WOULD REACT; "WE WENT ON A FULL-WAR BASIS," W/SOLDIERS "MOVED OUT TO

COMBAT POSITIONS." VANCE

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